Saskatchewan Liquor and Gaming Authority

Plan for 2015-16

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Government of Saskatchewan

Statement from the Minister

The Honourable Don McMorris

Minister Responsible for the Saskatchewan Liquor and Gaming Authority

I am pleased to present the Saskatchewan Liquor and Gaming Authority's (SLGA) plan for 2015-16. Government's Direction and Budget for 2015-16 is focused on *Keeping Saskatchewan Strong*, balancing building for the future with fiscal responsibility.

SLGA's 2015-16 Plan focuses on continuous improvement across the organization with the goal of advancing both customer service and financial performance. SLGA's net income is essential to providing sustainable funding in support of Government programs and services and this Plan is committed to promoting financial growth in a socially responsible manner. The Plan supports stronger collaboration with partners and stakeholders and allows new business opportunities by furthering private sector involvement in the Province's blended retail liquor network. Improving efficiency and effectiveness of program delivery and promoting a safe and engaged workforce will continue to be key priorities in 2015-16.

I am committed to report on the progress made towards this plan in the 2015-16 Annual Report, and I look forward to the opportunity to further our Government's commitment to *Keeping Saskatchewan Strong* through strategies that support sound economic growth and shared prosperity.

Response to Government Direction

The Government of Saskatchewan is committed to *Keeping Saskatchewan Strong*. The province faces challenges due to volatile resource revenue; however, Saskatchewan's economy is diverse and resilient. There are strengths in many sectors from agriculture and manufacturing to resources such as potash and uranium.

With controlled spending and continued support for the conditions necessary for economic growth, the Government will meet the needs of our growing province. Investments in people and infrastructure continue to support Government's commitment to establishing Saskatchewan as the best place to live, to work, to start a business, to get an education, to raise a family and to build a life.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Government's vision and four goals provide the framework for ministries, agencies and third parties to align their programs and services and meet the needs of Saskatchewan's citizens.

All ministries and agencies will report on progress in their 2015-16 annual reports.

Operational Plan

Mission Statement

We serve Saskatchewan people with excellence, contributing to economic growth through the socially responsible distribution and regulation of liquor and gaming products, directly and with our partners.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: fiscal responsibility to support growth; financial performance

SLGA Goal

Ensure SLGA's net income meets or exceeds budgeted payment to the province's Core Operational Plan.

Strategy

Improve liquor net income

Key Action

- ⇨ Deliver marketing campaigns that promote growth in the volume of liquor sales and transition to higher end products.

Strategy

Improve gaming net income

Key Action

- ⇨ Implement changes to Video Lottery Terminal (VLT) program parameters (such as maximum bet, maximum win, distribution policy).

Performance Measure

Net Income

By March 31, 2016, SLGA's net income will improve to $500.0 million, an increase of 1.7% to meet its budgeted payment to the province's Core Operational Plan.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: building a better quality of life for Saskatchewan people; social responsibility

SLGA Goal

Protect minors and other vulnerable groups with respect to the use of alcohol and gaming products.

Strategy

Improve frequency of ID checking and refusal of service to intoxicated individuals

Key Action

- Explore the feasibility of implementing programs in Saskatchewan that work with licensed premises to help address compliance issues related to impaired drivers.

Strategy

Implement liquor and gaming responsible use training and assessment tools

Key Action

- Implement a liquor and gaming responsible use training program for SLGA employees.

Strategy

Conduct awareness and education workshops with commercial permittees and other organizations to increase knowledge and compliance

Key Actions

- Assess options for further promotion and support of programs that encourage best practices among liquor licensees with respect to policy and regulations.
- Design and implement an education program for commercial permittees aimed at enhancing knowledge and compliance of liquor policy and regulations.
- Design an education program for charitable gaming licensees aimed at enhancing knowledge and compliance of gaming policy and regulations.

Performance Measures

ID Check/Refusal at Point of Sale (POS)
The number of identification checks performed on individuals who appear to be under the age of 25 and the number of times minors or intoxicated individuals that are refused service will be monitored at the point of sale throughout all SLGA liquor stores.

Inspections Resulting in Sanctions
The number of site inspections that result in sanctions will be monitored to help determine the extent to which liquor and gaming licensees are compliant with regulations.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: increasing Saskatchewan's competitiveness; customer service excellence

SLGA Goal

Provide responsive and high quality services that consistently exceed customers' expectations.

Strategy

Design and implement service standards

Key Action
- Conduct customer satisfaction surveys to determine customer expectations and baseline customer satisfaction levels.

Strategy

Improve service by creating an engaging and satisfying customer experience

Key Actions
- Enhance customer service excellence training for liquor store staff.
- Help improve retail liquor store customer awareness of product offering and selection.
- Implement online regulatory services to provide customers with enhanced capabilities including online applications for special occasion permits and horse racing registrations.

Performance Measure

Customer Satisfaction
Customers will be engaged to determine their perception of the quality of SLGA programs and service in relation to their expectations.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: increasing Saskatchewan's competitiveness; strong partnerships

SLGA Goal

Capture synergies through collaborative initiatives with our partners.

Strategy

Engage in new partnerships that help improve availability, quality and/or cost of delivery

Key Actions

- Review and develop options for the public-private liquor retail model to address capacity issues and meet future volume growth requirements.
- Implement new distribution centre product delivery model, including online ordering and facilitate commercial permittee and franchisee transition to the model.

Strategy

Strengthen our relationships with our partners

Key Actions

- Conclude and implement agreement with Indigenous Gaming Regulators (IGR) with respect to transitioning registration responsibilities of on-reserve charitable gaming employees to IGR.
- Undertake a review of the policies that govern the small liquor producer industry in the province.

Performance Measures

Partner Market Share
The proportion of liquor and gaming business carried out through collaborative relationships with partners will be measured.

Partner Satisfaction
Partners will be engaged to determine their perception of the quality of their interaction with SLGA in relation to their expectations.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: fiscal responsibility to support growth; continuous improvement

SLGA Goal

Improve our operations to best meet the needs of our customers and partners within financial parameters.

Strategy

Improve efficiency, effectiveness and relevancy of programs, processes and services

Key Actions

- Conduct a supply chain review and identify opportunities for improvement.
- Continue to enhance corporate planning and reporting frameworks and integrate with Enterprise Risk Management.
- Continue multi-year liquor and gaming program reviews to ensure program effectiveness.

Strategy

Improve the quality of outcomes achieved from change initiatives

Key Action

- Revise licensing fee structure to encourage customer use of online applications.

Performance Measures

Online Engagement
The number of interactions with customers and partners using newly established online applications and ordering technology will be tracked.

Operating Ratio
The cost associated with achieving each dollar of SLGA liquor store and VLT revenue will be tracked.

Government Goals

Sustaining growth and opportunities for Saskatchewan people	Meeting the challenges of growth	Securing a better quality of life for all Saskatchewan people	Delivering responsive and responsible government

Strategic priority from the *Saskatchewan Plan for Growth*: increasing Saskatchewan's competitiveness; workplace excellence

SLGA Goal

Integrate health and safety into operations.

Strategy

Complete and integrate a Safety Management System

Key Actions

- Pilot a formal job rotation and "safety huddles" into liquor store operations to help prevent injuries.
- Establish a cross functional working group to review and improve safety programs.

Strategy

Develop and integrate a Disability Management Framework

Key Action

- Integrate disability management practices by developing management's ability to accommodate employees and manage absenteeism.

SLGA Goal

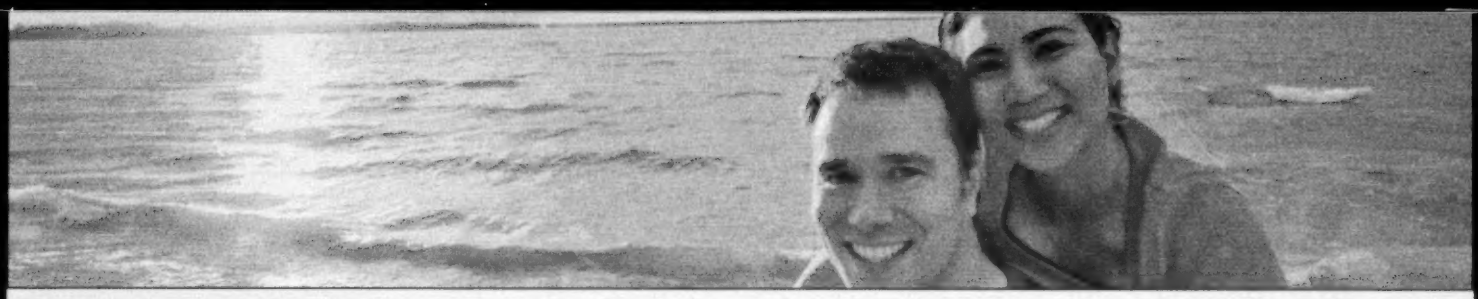
Promote an engaged and enabled workforce.

Strategy

Encourage employee learning and development

Key Actions

- Evaluate options for e-learning delivery and deliver new e-learning training.
- Assess organizational and employee skill gaps and align training plans to address these gaps.



Performance Measures

Injury Rates
The recorded number of medical aid and time-loss injuries resulting from any event or exposure in the work environment will be measured.

Diversity Index
The diversity profile of SLGA's workforce will be captured by monitoring the number of employees belonging to groups that are typically underrepresented in the workforce including Aboriginal people, women, persons with disabilities and members of visible minorities.

Financial Summary

SLGA's 2015-16 financial plan supports the organization's key strategies that are designed to assist Government in achieving its plan for *Keeping Saskatchewan Strong* . The main financial outcome for SLGA is its net income target which consists primarily of the following components: provincial VLT revenues, Saskatchewan Indian Gaming Authority (SIGA) net income and profits from the retail liquor sector.

SLGA's net income is essential to supporting broader provincial objectives. For 2015-16, SLGA is budgeting net income of $500.0 million. SIGA net income is forecast at $77.0 million and VLT net income is budgeted at $178.4 million. Continuing market growth in beverage alcohol is expected to net SLGA $295.2 million from the retail liquor sector. The net income from these areas is offset by the net cost of licensing, regulation and support in both the liquor and gaming areas of $50.6 million.

Overall, SLGA's capacity to continue to generate additional revenues is impacted by a variety of economic variables, weather and public policy choices. Maintaining a balance between revenue generation and social responsibility is key to SLGA's success in supporting government goals.

For more information, see the Budget Estimates at: http://www.saskatchewan.ca/budget

For More Information

Please visit the Saskatchewan Liquor and Gaming Authority's website at www.slga.gov.sk.ca